

**CENTRAL ASSOCIATION OF AGRICULTURAL VALUERS
2012 EXAMINATIONS**

**WESTERN COUNTIES AND CORNISH EXAMINATION GROUP
WEDNESDAY 14th NOVEMBER 2012**

AT

**BURTON FARM GALMPTON, NEAR KINGSBRIDGE, DEVON
BY KIND PERMISSION OF MR DAVID AND MRS ANNE ROSSITER.**

Burton Farm is occupied by a William and Mary Lethbridge who rent the farm from William Lethbridge's father, Sheamus, on an Agricultural Holdings Act agreement which commenced in 1990. Mr Lethbridge Senior is now 77 years of age and was until 2000 a joint tenant and partner in the business.

William and Mary farm a total of 324 hectares (800 acres) divided as follows:

Burton Farm extending to 132 hectares (325 acres) with a current passing rent of £16,000 per annum last reviewed in 2010.

100 hectares (247 acres) of adjoining coastal land rented on a 10 year farm business tenancy expiring on 29th September 2014 from the National Trust.

79 hectares (195 acres) of land taken on grass keep and annual arrangements from various owners in the locality

13 hectares (32 acres) of land originally purchased in 1999 by the farming partnership and transferred to Mr Lethbridge Senior on his retirement and added to the tenancy of Burton Farm at the same time.

Until 2011 the principal enterprise was a dairy herd of 180 pedigree Holstein Friesian cows. However, the tenants have quit dairying due to the impact of TB and the area of land used by the dairy herd has been converted principally to arable production.

Stocking and Cropping now is as follows:

A commercial flock of 700 breeding ewes and two pedigree flocks of 100 Poll Dorsets and 100 Suffolks which are mainly run on the coastal land. The family are renowned nationally for their capabilities and experience with pedigree livestock both current sheep enterprises and their recently dispersed Holstein Friesian dairy herd.

Arable cropping amounts in total to 200 hectares (500 acres) of wheat, barley and fodder crop in rotation.

In addition the family run a holiday business comprising, farm holidays, restaurant, corporate events and weddings.

WESTERN COUNTIES AND CORNISH EXAMINATION GROUP
PRACTICAL EXAMINATION
WEDNESDAY 14TH NOVEMBER 2012
9 A.M. TO 1.00 P.M.

8.50 – INTRODUCTION BY EXAMINATION SECRETARY/CHIEF EXAMINER

ANSWER ALL QUESTIONS		Marks
Presentation of Your Valuation Books		5
1	Farm Buildings Your firm has been asked to project manage the demolition and removal of the existing grain store north of the farmhouse and the adjoining buildings at point S Prepare a Risk Assessment identifying relevant legislation for the removal of this building and a project plan to ensure the safety of visitors to the farm.	10
2	OS 5422 Assess the dilapidations to the west internal hedge between points X and Y on the plan.	6
3	OS 5422 – 1.94 ha Assess the value of the Tenant's Pasture as laid down in this field in 2008	4
4	OS 5422 The owner of the detached house (Prospect House) has approached the Landlord asking if he might purchase part of the field as indicated by the cross-hatching on the plan Advise the Landlord a On the terms for any sale together with anticipated monetary values and possible tax liabilities b On the approach to the Tenant and any accommodation works that might be required	6 4
5	OS 5422 a Prepare a Schedule of Condition in advance of South West Water taking possession for their entire proposed reservoir scheme (see Question 16) b The working width is 10 metres and is shown on the plan coloured blue with the working area required for the reservoir extending to approximately a quarter of an acre hatched blue Comment on the RPA regulations and any action required by	5 5

	your client (The Tenant)	
6	OS 1234 Assume the tenancy terminates on the 30 th November 2012 assess the outgoing tenant's claim for the crop in the field. Previous crop wheat.	5
7	Burton Farm Buildings – Point M Assess the total quantity in tonnes together with the total market value of the round bale silage as stacked at Point M on the plan and made as first cut silage in late May 2012.	4
8	Burton Farm Buildings – Concrete Yard H Identify and value the three items of machinery x y z	2 2 2
9	Burton Farm Buildings – Building K Describe comment on and assess the value of the bunker and concrete floor as a Tenant's Fixture assuming the Landlord has elected to take to it at the termination of the tenancy on 30 th November 2012. The structure was built in 1980	5
10	Burton Farm Buildings – Building N The building N on the plan will be surplus to requirements with effect from the 1 st April 2013 and the local planning authority have indicated that planning permission for all reasonable diversified uses will be forthcoming a Advise on potential alternative uses and potential rent levels for these uses assuming rent levels in your locality b Prepare a set of letting particulars indentifying potential terms	5 5
11	Burton Farm Buildings – Building O Identify, assess the average weight per bale and provide the market price per bale of the commodity stacked in Building O assuming that it was all harvested in 2012. Only make your valuation from the front face of the building (south)	4

12	Burton Farm Buildings – Concrete Yard The Tenant has been advised that he will have a Cross Compliance inspection next month. Advise on any issues on the concrete yard to the south of buildings K, N and O	5
13	Burton Farm Buildings Value the livestock shown to you a b NB Candidates may <u>only</u> be told:- <ul style="list-style-type: none">▪ Age – teeth status (if applicable)▪ Udder status (if applicable)	3 3

This section of the exam finishes at 1.00 pm when Candidates will hand in their completed valuation books. Lunch will be taken immediately after the end of the morning exams. Candidates are reminded exam conditions still prevail.

- During the course of the second half of the morning a room in the farmhouse will be available to Candidates for writing up their books.
- Examiners will be on hand to take Candidates back for a second inspection of any question on request to the Invigilator.
- Please leave boots/outdoor clothes in the farmhouse porch whilst in the examination room.
- Toilets are available in the farmhouse front porch.
- No smoking. Smoking at lunch time by arrangement with an Examiner.
- Mobile phones are not allowed at anytime throughout the day.
- Coloured paper is available for making notes for the Wednesday afternoon papers and for the oral exam on the Thursday afternoon. These papers may be retained by the Candidates and not handed in at 1 p.m. **ONLY** these coloured sheets will be allowed into the written examination on the Wednesday afternoon and Thursday's oral exam.
- Any problems on any issues, please direct them to either:-

N. Millard, FRICS, FAAV
Chief Examiner

OR

C. Wreford-Brown, FRICS, FAAV
Examination Group Secretary

AFTERNOON QUESTIONS
**ESTIMATED START TIME 1.45 PM AND TWO AND A HALF HOURS ARE
ALLOWED FOR COMPLETION OF THE PAPER**

ANSWER FOUR OUT OF FIVE QUESTIONS		Mark
14	<p>Burton Farm</p> <p>Mr Lethbridge Senior has decided to transfer the freehold interest in the 13 hectares (32 acres) edged green on plan and added to Burton Farm in 2000 to his Grandson subject to the existing tenancy.</p> <p>Treating OS No 1234 as a sample of the land provide the family accountants with a compliant valuation as at the 1st November 2012.</p>	15
15	<p>Burton Farm</p> <p>Mr and Mrs William Lethbridge have been in negotiation with a wind turbine developer who is proposing to erect two 18 metre turbines generating 15 kw each on a site in OS no 2909.</p> <p>The developer has produced an option agreement but William and Mary Lethbridge have sought your advice on the terms of any long-term arrangement if the turbine site is to be developed.</p> <p>The Landlord is relaxed about the proposal and will not withhold consent subject to a commercial market share of any rent.</p> <p>Advise on the structure and principal terms of any agreement including the anticipated payment from the energy company to William and Mary and the likely share to the Landlord.</p>	15
16	<p>Burton Farm</p> <p>South West Water have designed a scheme to improve the water supply to Hope Cove which involves constructing an underground pumping reservoir on the north headland of O.S. No. 7196 immediately adjacent to the main drive entrance with pipelines running north west across the drive into O.S. No. 5422 to connect to the existing main in the south headland of O.S. No. 5138.</p> <p>Work is proposed to start in March 2013 and is estimated to take some 6 months</p> <p>a) Identify the practical implications for the agricultural and other activities on the holding and the impact for your clients (both Tenant and Landlord)</p> <p>b) Advise your clients by way of notes of their likely Heads of Claim</p>	8 7

17	<p>Burton Farm Buildings</p> <p>Planning permission has been granted for conversion of the traditional buildings adjoining (to the north of) the farmhouse to holiday accommodation and conversion work has commenced.</p> <p>One condition of the planning permission is that the agricultural livestock operations in the buildings to the north and north east of the farmhouse and adjoining traditional buildings should cease.</p> <ul style="list-style-type: none"> a) Reflecting the recent changes in the farming enterprises at Burton Farm set out proposals to provide alternative accommodation for the current activities. b) Prepare an Action Plan to provide the alternative accommodation 	
		7
18	<p>Burton Farm</p> <p>The recent loss of the dairy herd followed by the possible short-term expansion of the ewe flock has led the Tenant to consider other potential enterprises possibly reintroducing cattle back on to the holding to replace the commercial ewe flock.</p> <p>Advise on the possible cattle enterprises considering the suitability of the holding and fixed equipment and provide relevant budgets to support a maximum of two of your suggested enterprise(s) together with a comparative budget for the existing commercial ewe flock.</p>	8
		15

ORAL QUESTION THURSDAY 15TH NOVEMBER 2012 PM

The oral question in the examination to be held on the Thursday afternoon will involve approximately a 10/15 minute discussion on the following topic:

The future of Burton Farm

The family is considering the potential tax situation and the oral question will focus on current liabilities and the possibilities for mitigation.

35 marks

The remainder of the oral examination will comprise three brief discussion questions drawing on relevant general knowledge.

15 marks